

AirGate Wireless

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September 22, 1997

Mr. William Caton
Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

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Re: Ex Parte Presentation WT Docket 97-82

Dear Mr. Caton:

This letter provides notice of that the attached document was faxed to Chairman Reed Hundt, Commissioner James Quello, Commissioner Susan Ness and Commissioner Rachelle Chong on September 21, 1997.

If you have any questions regarding this filing, please contact the undersigned. Please date-stamp the enclosed extra copy of this notice and return it in the enclosed self-addressed envelope.

Sincerely,

Shelley Spencer
Shelley Spencer

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Barry I. Schiffman
280 Mimosa Way Portola Valley, CA 94028
Voice: (650) 233-0304 FAX: (650) 233-0322 eMail: homeccr@pacbell.net

September 20, 1997

Chairman Reed Hundt
Commissioner James Quello
Commissioner Rachelle Chong
Commissioner Susan Ness
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

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Re: The C Block Dilemma
Real or Imaginary?

Dear Chairman Hundt and Commissioners Quello, Chong and Ness:

Why read this letter?

With the default of several of the major winners of the C Block auction, you are faced with a very tough decision, in uncharted waters, that has the potential of large economic and political implications. As an individual that has been intimately involved in the C Block process for the past five years and as a significant investor in the innovative and entrepreneurial side of the U.S. telecommunications industry for the past ten years, I believe my points of view may be of some benefit in helping you resolve the dilemma you are facing.

Who am I?

I am a venture capitalist. Specifically, the president of JAFCC America Ventures (JAFCC) and a special limited partner at Weiss, Peck & Greer Venture Partners (WPGVP). As a general partner at WPGVP, I made an investment in a designated entity, AirGate Wireless, and remain a managing principal of the company.

The two firms I am associated with have been instrumental in supporting the rapid entrepreneurial and technical growth of both the U.S. and worldwide tele and data communications industries. Firms we have invested and supported include: Ciena, Advanced Fiber Communications, Premisys, P-COM, Harmonic Lightwave, Objective Systems Integrators, Clear Communications, Wireless Access, Unwired Planet, PSInet, International Wireless, GoDigital, SoftWire and Adicom.

While I've listed the companies we have invested in, we really place our faith and capital in the people that founded these companies. Using AirGate as example, prior to the auction we had assembled a team that consisted of:

- Experienced entrepreneurs who had previously won licenses and operated wireless services in our geographic area of focus, the southeast.
- A strategic partner, experienced in operating wireless services worldwide, Bell Canada.

Barry J. SchiffmanSeptember 20, 1997

- A New York bank that had agreed in writing to raise the hundreds of millions of dollars needed to finance the buildout based on a well vetted business plan using rational license pricing and our intimate knowledge of the true cost of build out plus attracting and retaining subscribers.

The Dilemma

Due to a lack of understanding concerning the psychology and the makeup of the entrepreneurial marketplace, the C Block auction process allowed for the uneconomic allocation of the licenses. I say uneconomic because the capital markets have spoken and the message is very clear: The prices paid by and the quality of the companies currently holding a significant portion of the C block licenses do not result in viable economic entities in which financial institutions experienced in investing in the telecommunications industry, are willing to invest.

PCS is great technology. All one needs to do is travel through Europe and Asia to see significant portions of the population walking through the streets with low cost, high quality digital wireless telephones. The U.S. is behind in implementation of PCS, a fundamental infrastructure technology that is proven to have a high correlation to growth of GNP.

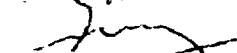
I believe one of your primary goals for the PCS auctions was to increase competition to decrease the time to market for this technology. And without being trite, in this instance time is money in many ways:

- For the economy, delays in implementation of PCS reduces the competitive pressure on the installed base of cellular providers to innovate and price competitively.
- For the government, the procrastination on resolving the C block defaults is costing wasted effort belaboring the decision of what is "right and fair" and resulting in no payments at all.
- The lack of resolution is casting a pall over the financing of the PCS market in total because the C block is a big portion of the spectrum that can not be reliably forecasted as to when it will enter the market.

A Point of View

If government is the art of compromise among the many points of view of its constituents, then there will always be some who feel things are not "fair". The C block licensees who are currently in default are not large companies with thousands of employees. If they go out of business due to poor judgment by their management it will not leave thousands on the street unemployed. On the other hand, there are many companies with committed capital waiting in the wings that would gladly bid on these licenses at rational prices and get on with expeditiously bringing an innovative and competitive PCS market to the United States.

Sincerely,



Barry J. Schiffman

cc: Shelley Spencer